

# Article by the High Representative, Paddy Ashdown: "Bosnia Turns a Chapter"

Alija Izetbegovic, the wartime president of Bosnia and Herzegovina, was buried on Wednesday on a hillside overlooking this city. An estimated 150,000 people attended Mr. Izetbegovic's funeral, thronging the center of the Bosnian capital on a cold rainy day. His death marks the end of an era. The crucial question for the people of Bosnia and Herzegovina is whether the era now beginning will fulfill the hopes of the thousands who waited patiently in the pouring rain to pay their last respects.

Mr. Izetbegovic was in many ways an unwilling war leader who at first sight often seemed to be outmaneuvered in the cut-throat Balkan diplomacy of the early '90s, but he proved more durable and more right over the long term than the other two Balkan heads of government who signed the Dayton Peace Agreement. Croatian President Franjo Tudjman died in December 1999 amid growing corruption scandals, and Slobodan Milosevic, the former president of Yugoslavia, was arrested by Serbian police in April 2001 and is now standing trial for genocide at The Hague.

Even after his retirement two years ago, Mr. Izetbegovic remained the dominant political force among his people. Though he enjoyed widespread respect, he harbored no illusions about the limitations of his political legacy, and acknowledged that he and his party had failed to deliver prosperity. Yet five years on, there are grounds for renewed hope. The economy is showing signs (albeit slow and fragile) of organic, self-

sustaining recovery. And political debate is moving toward pragmatism and away from the arid nationalist polemics of the '90s. The political climate has begun to be transformed by a new focus on future possibilities rather than past injuries. For years, Dayton served as a kind of outboard motor propelling Bosnia fitfully towards recovery. Now, that recovery engine is very much the prospect of eventual membership of the European Union.

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When I took up my post in Bosnia in May 2002, key recovery elements were already in place. Complete freedom of movement throughout the country had been established; the Convertible Mark, backed by Euro reserves and administered by a currency board, was then, and is today, the most stable currency in the Balkans, ensuring near-zero inflation. Constitutional talks among the principal parties had fitfully begun to alter the Dayton settlement, ensuring the representative and civic rights of all constituent peoples – Serbs, Croats, Bosniaks and others – throughout the territory of Bosnia and Herzegovina. But significant problems remained. Corruption, fuelled by insufficiently coordinated aid, was endemic, and there was a real prospect of organized crime strangling Bosnia's fledgling democratic institutions. The economy showed few signs of being able to withstand a planned reduction in aid inflows, following the disbursement of \$6 billion over five years.

These problems were created, I believe, by a fundamental miscalculation at the beginning of the peace process. The focus of the international community's policies after 1995 was to make the unwieldy, decentralized Dayton political structure work. There were general elections every two years, and politics was preoccupied with the minutiae of ethnic power-sharing, at the expense of improving living standards. The relatively high level of aid (for a country of just four

million people) masked the inadequate pace of economic rehabilitation and the corruption and criminality that always follow war like a shadow. So, when I addressed the Bosnian parliament on the day I arrived, I made it clear that my priorities would be justice and jobs – because fighting crime and better jobs, rather than personal security and national survival, are today the top priorities of the people of Bosnia. That itself says something about how far this country has come from war.

At the start of this year the EU Police Mission took over from the U.N.'s International Police Task Force, which had been responsible for depoliticizing, demilitarizing and retraining the Bosnian police forces. The EUPM closely monitors the performance of the Bosnian police. The fact that refugees – more than a million so far – are returning to their homes in increasing numbers, eight years after they were driven from them in the war, is in no small part due to the consistent improvements in professional policing.

The Herculean task of reforming the entire judiciary and court system continues apace, and is on track for completion by the spring of next year. A new State Court, with special panels to deal with organized crime, has been created, staffed with international as well as Bosnian prosecutors and judges and armed with new Criminal Codes and Criminal Procedure Codes introduced last January. We have also begun to tackle the correlation between red tape and poverty. At the end of 2002, I proposed that we get Bosnian businesspeople together to “bulldoze” pointless regulations that make it harder for companies to create jobs and prosperity. Even I was surprised by the response. The first Bulldozer Committee prepared 50 detailed reform proposals that were enacted by the authorities, all within the space of 180 days – a reform every four days. We are now in the second phase of the process and expect another 50 reforms to have been completed by the end of this year.

The success of Bulldozer demonstrated that businesspeople were prepared to band together to change the status quo, an indication, I believe, of the first shoots of a civil society in Bosnia capable of complementing and improving the quality of political debate.

In the summer of this year the governments drew up a plan to relaunch the stalled privatization program, boost exports, and clean up the business environment – a detailed blueprint for near-term reform agreed by all the authorities and negotiated without international mediation. It is an example of the kind of reversion to domestically driven reform and recovery that could be the target of all internationally aided nation-building projects.

Since the turn of the year, I have established four commissions – each composed entirely of Bosnian representatives under international chairmanship – to tackle four of the most intractable issues: the creation of a state-level tax administration to run customs and VAT; the introduction of a unified, state-level command-and-control structure for the armed forces; the creation of a modern, democratically accountable, state-level intelligence service; and the political and administrative unification of the divided city of Mostar. The commissions have all placed the material interests of Bosnia's citizens above sectoral or party political considerations, and their work has moved forward with the active participation of nationalist and non-nationalist alike; yet more evidence, I believe, of the new constructive pragmatism in Bosnian political life.

That pragmatism has been bolstered by a coherent approach by the international community. In Bosnia, the U.S., the EU and the other signatories of the U.S.-brokered Dayton Peace Agreement, including Russia and the Organization of the Islamic Conference, have presented a united front – and this has allowed us to build a coherent dialogue with our Bosnian partners.

Those who stood in the rain on Wednesday mourned the passing of a man who had led his people through a national agony, and who did not live to see their full recovery from that terrible experience. What we are seeing in Bosnia and Herzegovina today, I believe, is the beginning of that recovery, a fitting memorial to the late president and father of his people.

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